



PAT FRANK
Clerk of the Circuit Court
13th Judicial Circuit

COUNTY AUDIT

HILLSBOROUGH COUNTY, FLORIDA

CONSULTANT COMPETITIVE NEGOTIATION ACT (CCNA)

PROCUREMENT PROCESS AUDIT

REPORT # 251

NOVEMBER 21, 2013

November 21, 2013

The Honorable Ken Hagan, Chairman
The Honorable Kevin Beckner
The Honorable Victor D. Crist
The Honorable Al Higginbotham
The Honorable Lesley "Les" Miller
The Honorable Sandra L. Murman
The Honorable Mark Sharpe

Dear Chairman Hagan and Commissioners:

The Audit Team performed an audit of the Consultant Competitive Negotiation Act (CCNA) procurement process (Audit Report #251, dated November 21, 2013). A response to the Audit Team's recommendation was received from the Director of Business and Support Services and has been included in the report after the audit comment and recommendation.

The Audit Team appreciates the cooperation and professional courtesies extended to the auditors by the Director and personnel of the County Procurement Department during this audit.

Sincerely,



Peggy Caskey, CIA, CISA, CFE
Director, County Audit

cc: Mike Merrill, County Administrator
Lucia Garsys, Deputy County Administrator
John T. Fesler, Director, Business and Support Services
John Hollingshead, Division Director, Procurement
Bruce Dangremond, Manager, Performance Mgmt, Business and Support Services

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EXECUTIVE SUMMARY

BACKGROUND INFORMATION:

Florida Statute 287.055 regulates how municipalities may procure and contract with firms who provide certain types of professional services. This Statute is referred to as the Consultants' Competitive Negotiation Act (CCNA). Specifically, the types of services for which municipal procurement is regulated by this Statute are:

- Architecture
- Landscape architecture
- Professional engineering
- Registered surveying
- Mapping

The County is required to comply with the rules set forth in the CCNA Statute. Anytime the County wishes to hire a private outside firm for the specific services of architecture, landscape architecture, professional engineering, registered surveying, and/or mapping, the County is required to conduct its procurement process in accordance with the Statute.

When a County department needs to hire a private firm for any of these specific types of professional services, the department is required to submit a request to the Hillsborough County Procurement Division (Procurement). Procurement's role is to ensure due process, fairness, objectivity, impartiality, and compliance with the Statute. The County department and Procurement work together to publicly advertise the project and select a firm or multiple firms for a contract award recommendation on a competitive basis. The Board of County Commissioners (BOCC) has final approval authority before the recommended firm(s) is awarded a contract.

OBJECTIVE:

The purpose of this audit was to determine if Hillsborough County's procurement process for contracts governed by the CCNA complies with Florida Statute 287.055.

SCOPE:

The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing, issued by the Institute of Internal Auditors. Audit procedures included interviewing key personnel, reviewing key documents, analyzing Florida Statute 287.055, and examining CCNA contract files.

The time period tested was August 1, 2012, through July 31, 2013.

OVERALL EVALUATION:

Procurement was responsive to the Audit Team’s inquiries and provided thorough information when requested. The audit test work consisted of an examination of the full population of five County contracts governed by the CCNA created between August 1, 2012, and July 31, 2013.

The audit test results indicate that:

- The scoring of professional service firms was consistent from one contract to the next;
- The procurement process may be monitored by the public;
- The County’s Procurement Manual has language consistent with Florida Statute 287.055;
- The County Procurement Division uses documentation templates that are designed to help ensure compliance with the Statute;
- Contract documentation files are orderly, and
- Two of the contract files had a key document that was inadvertently omitted.

The following table summarizes the audit comment and corresponding cross reference to the page number where the audit comment details can be found in the report.

AUDIT COMMENT	DESCRIPTION	PAGE REFERENCE
1	Review process For CCNA project file documentation.	page 3

OPINION:

Based on test results, it appears that Hillsborough County’s procurement process contracts governed by the CCNA comply with Florida Statute 287.055. The procurement process used has adequate controls in place to ensure compliance with the Statute. The controls over documents maintained in contract files could be improved to enhance completeness.

The audit recommendations, if implemented, will improve the internal controls used to carry out the administration of CCNA contracts.

The exit conference was held on October 9, 2013.

AUDITED BY:

Peggy Caskey, Director, County Audit
Steve Hooper, Audit Manager
Margaret Brown, Senior Internal Auditor
Benjamin Everett, Auditor

AUDIT COMMENT & RECOMMENDATION

CCNA Contract Files

Control Activities: Listed below is an area that represents an opportunity for the County Procurement Division (Procurement) to strengthen an internal control related to documentation for CCNA contracts. For this audit comment, a recommendation has been included.

AUDIT COMMENT 1

Review Process For CCNA Project File Documentation

Procurement maintains documentation for CCNA contracts as a record of the procurement process. This documentation includes the final contract agreement(s) with the firm(s). The contracts include a section called Attachment A - Scope of Services describing the type of work to be done by the contracted firm. Other documents kept by Procurement include those that show how competing firms were ranked based on their point scores.

Five CCNA project files were examined during audit test work. Of those five, one file was missing Attachment A and another file was missing documentation explaining a correction of a scoring error.

Procurement uses a guide sheet that lists the types of documents that should be included in each section of the documentation binders; however, there is no file completion review to confirm that all necessary documentation exists and is complete.

RECOMMENDATION:

Consideration should be given to:

1. Converting the guide sheet into a checklist where each required document is marked off or initialed when the document is placed in the file.
2. Implementing a review policy whereby a manager, supervisor, or other Procurement employee reviews CCNA contract binders for completeness. This review procedure could also be applied on a department-wide basis to other County contract documentation files.

CLIENT RESPONSE:

1. *Concur*
2. *Concur*

CORRECTIVE ACTION PLAN:

- 1. Business and Support Services – Procurement will convert the current guide sheet into a checklist where each required document is marked off or initialed by the analyst when the document is placed in file.*
- 2. Procurement will create a department-wide contract file review procedure and develop a new memorandum whereby each contract binder reviewed will be documented as it occurs.*

TARGET COMPLETION DATE:

- 1. November 27, 2013*
- 2. December 19, 2013*